

Have You Visited [www.ifahome.com](http://www.ifahome.com) Lately?



We continue to improve the Title Guaranty Web site ([www.ifahome.com/partner\\_tgd.asp](http://www.ifahome.com/partner_tgd.asp)) to include information about program revisions, as well as upcoming training and other events. If you haven't looked lately, here's a peek at what you're missing:

- Program Information — A summary of the Title Guaranty system, as well as links to participating attorneys and abstractors (updated monthly).
- Updates/Events — When anything changes at Title Guaranty, you'll find it here, from pricing to underwriting. Check it often! This is also where you will find schedules and information about registering for upcoming training sessions.
- Forms & Documents — Everything you ever needed for Title Guaranty is here. All forms, applications, Endorsements and instructions are right at your fingertips.
- Internet Applications — Those participants choosing to issue Certificates online will log in here to complete the application.
- Mortgage Release Program — A summary of the program, as well as downloadable forms and instructions to make applying for a mortgage release simple.

We encourage you to take a few minutes to browse the site. You will probably want to "bookmark" it to make it even easier to access. As always, if you have questions or need any additional help, we're just a phone call away — 800.843.0201.



ON THE MOVE

Distributed by:  
Iowa Finance Authority  
Title Guaranty Division

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Frequently Asked Questions

**Q: Why is it necessary to show marital status on the deed, mortgage and title opinion?**

**A:** All titleholders and their spouses must execute all conveyances of real property to release homestead and marital rights. If marital status is not shown, it is difficult to determine whether all appropriate parties have signed.

Correct:  
John Jones and Mary Jones, husband and wife  
John Jones, a single person and Mary Smith, a single person

Incorrect:  
John Jones, married and Mary Jones, married  
John Jones and Mary Jones  
John Jones and Mary Smith

In some situations, title may be in only one of the spouses; the non-titled spouse must still execute any conveyances, including mortgages.

**Q: Does Title Guaranty require lien searches against the borrowers or purchasers?**

**A:** No. However, many secondary market investors do require lien searches. If no lien searches are done against the borrowers or purchasers by a participating abstractor, it should be conspicuously noted on the attorney title opinion that such lien searches were not completed, and Title Guaranty (or the issuing participant) will place a Special Exception on Schedule B of the Commitment, Lender's Certificate and/or Owner's Certificate, noting the lack of coverage related to this issue. Typical language: "Judgments, liens, claims and any other miscellaneous matters that would be revealed by an abstractor's search against the name of, or similar names to \_\_\_\_\_ (Name) ."

Please keep the questions coming. Send your questions to:

Attn: Susan Mock  
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200 E. Grand Ave., Suite 350  
Des Moines, IA 50309

Fax: 515.242.4994  
Email: [susan.mock@iowa.gov](mailto:susan.mock@iowa.gov)

FROM THE DIRECTOR

Warmer weather is here and that means one thing — the homebuying season is heating up. This is the peak time for all of us involved in the real estate industry. While interest rates are slowly rising, we expect this to be another very good year for home sales in Iowa. We are grateful that our economy doesn't tend to experience the "boom and bust" cycles of either coast!

We are starting to hear about increases in bankruptcies and foreclosures in the state, but I am confident that the high quality work of our participating attorneys and abstractors will continue to keep Iowa land title records the cleanest in the country. We value the partnership we have with the real estate industry in Iowa and the opportunity to work together to create an even better settlement system.

Business at Title Guaranty continues at a brisk pace, and we expect it to get even stronger as a result of the changes implemented this year. We will continue to look for ways to offer you improved products and outstanding customer service. I welcome your comments and suggestions, whether about a specific transaction or in general. Please feel free to contact me.

Partnerships are key to our success. We know it is crucial to the ongoing success of the Title Guaranty system, and we want to facilitate efficient and effective business models, such as "one-stop shops" and "one point of contact" transactions.

We are really focusing in on our partnerships. It is the great network of lenders, attorneys and abstractors that is our bread and butter and makes Title Guaranty a great value for homebuyers and lenders alike.

Loyd W. Ogle, Director



An Important Tool: A Uniform Residential Appraisal Report

A Uniform Residential Appraisal Report is an important tool for the mortgage lending industry because it provides the most reliable, up-to-date information about the condition and value of real property. Likewise, the appraisal is an important tool for Title Guaranty, as it gives insight into property conditions that may affect Title Guaranty coverage.

Title Guaranty strongly recommends the use of appraisals and reviews them for such things as:

- Street address of the property for the Location Endorsement
- Legal description to verify that the guaranteed mortgage encumbers the correct property
- Sales price or appraised value to confirm the amount of owner's coverage
- Whether there are any encroachments, either on the subject property or from the subject property onto adjacent land
- Age of the home and whether the appraisal is written "as is" or "subject to completion" for possible new construction
- If there is a Planned Unit Development or association for possible assessments
- The size or dimensions of the property for possible agricultural issues
- Any easements on the property, both beneficial and adverse
- Any shared facilities, such as a driveway, fence or well

This information is also often important to mortgage lenders, but Title Guaranty is aware that instances exist in which loan decisions are based on buyers' strengths and credit scores rather than on appraisals and property values. When the lender doesn't require an appraisal, it is unacceptable that Title Guaranty requirements might increase the cost of obtaining lender's coverage. Title Guaranty is committed to providing the best title protection available at the lowest cost possible.

Therefore, effective April 1, 2006, lenders may obtain Title Guaranty—including the added protection of survey coverage—even if there is no Uniform Residential Appraisal Report available. Despite this change, if an appraisal is available, it should be attached to the application for Title Guaranty, or provided to the issuing participant.

This new provision is applicable to residential transactions (purchase or non-purchase) of \$500,000 or less, where the property area is 40 acres or less. For other types of transactions, or if the property includes new or recent construction, or if the lender requests additional coverage with a Location Endorsement, please refer to the Title Guaranty Web site at [www.ifahome.com](http://www.ifahome.com) for additional requirements.



## Save the Dates!

*Title Guaranty Second*

*Annual Conference*

*November 14–15, 2006*

*Crowne Plaza Hotel*

*Cedar Rapids, IA*

*Iowa Finance Authority*

*Iowa Housing Conference*

*September 19–20, 2006*

*Hotel Fort Des Moines*

*Des Moines, IA*

## Mortgage Brokers Can Offer First-Time Homeownership Program

The Iowa Finance Authority (IFA) is pleased to announce that independent mortgage brokers may now offer the FirstHome and FirstHome Plus programs. This pilot initiative offers access and underwriting only through the Countrywide office in Clive, Iowa. Brokers can participate in the program in exactly the same capacity as banks and correspondent lenders that also deliver loans through the Clive office.

Brokers are responsible for processing the loan until the underwriting stage and providing the early disclosures required by RESPA. For their services, they will earn 1.25 percent of the loan amount. This ensures RESPA compliance, and brokers are able to maintain the relationship with their client through the processing stage. In order to participate, brokers must also attend training, adhere to IFA income and purchase price limits and use Title Guaranty on all the loans.

Last year, more than 2,000 Iowans used FirstHome and FirstHome Plus to purchase their homes. To learn more about how to take advantage of this new opportunity, contact Mickey Carlson at 515.281.8929 or [mickey.carlson@iowa.gov](mailto:mickey.carlson@iowa.gov).

## Meet Linda Mahoney



Many of you have already had the opportunity to meet Linda Mahoney, Senior Training Specialist at Title Guaranty. Since January 2006, Linda has trained more than 100 attorneys throughout Iowa on the online certificate processing system. A 10-year employee, Linda has served Title Guaranty in a number of roles and is currently helping develop the online order system that will debut soon.

When she's not on the road for Title Guaranty, Linda keeps busy with five children, seven horses and two dogs, not to mention her husband, Don.

## Two New Brochures Are Now Available from Title Guaranty

*Setting the Standard* – An overview of Title Guaranty for abstractors and attorneys  
*Why Go It Alone?* – Specifically designed to help the consumer understand the need for Title Guaranty Owner's coverage

Both of these brochures are available free of charge by calling 800.843.0201.

## Top 10 Ways Title Guaranty Benefits Iowa

**10. Protects the titles to real property in Iowa**

**9. Maintains the integrity of the Iowa land title system**

**8. Promotes the use of local abstractors and attorneys**

**7. Helps Iowa lenders to sell their mortgages on the secondary market**

**6. Leads the way in reducing the costs of obtaining a mortgage in Iowa**

**5. Offers unparalleled training and support to our partners**

**4. Facilitates the early detection of problems and defects in real estate titles**

**3. Guarantees marketable title to real estate**

**2. Offers the only title insurance product in which the revenues premiums generate stay in Iowa**

**1. Provides revenue for the FirstHome and FirstHome Plus programs**

The Iowa Legislature created Title Guaranty to provide additional guarantees of Iowa real property titles, over and above the protections of an abstract and an attorney's title opinion, to facilitate lenders' sales to the secondary market, and to add to the integrity of the land-title transfer system in Iowa. Title Guaranty processes are designed to uncover and correct title problems before the lender or homebuyer acquires a financial interest in the property. Our focus is on marketable title, not merely insurable title.

To Title Guaranty, "customer service" is more than just a phrase. We offer training and support to our partners through an experienced staff, assorted manuals and brochures, ICN training sessions, regional workshops, quarterly newsletters and an annual conference. We support local economies by ensuring that a local abstractor has researched the public record and that a local attorney has examined that abstract. And we continue to reduce the costs of obtaining a mortgage in Iowa by lowering the premium for Title Guaranty, by eliminating the charge for many Endorsements, and by introducing new, less expensive products.

Since 1986, Title Guaranty has contributed nearly \$38 million to the Iowa Finance Authority for the FirstHome and FirstHome Plus programs. In fact, all funds generated in excess of operating expenses are transferred to IFA to support homeownership programs for first-time homebuyers. All of Title Guaranty's revenue stays in Iowa.

For these reasons, lenders, brokers, attorneys and abstractors—partners without whom we could not exist—should feel proud of the role they play in supporting Title Guaranty for the benefit of Iowa.

## Featured Endorsement

The Comprehensive Endorsement is one of Title Guaranty's most requested Endorsements and is one of the Endorsements most impacted by recent changes.

Because Title Guaranty no longer requires the appraisal report for residential transactions that close on or after April 1, 2006, it is important to examine the Comprehensive Endorsement and determine how it can be issued.

The Comprehensive Endorsement is issued with Lender's Certificates only. It extends coverage to include a much broader range of possible defects than the standard Lender's Certificate. The Comprehensive Endorsement assures the lender of the following:

1. There are no covenants, conditions or restrictions that may cut off the lender's mortgage lien.
2. There are no present violations of any enforceable covenants, conditions or restrictions.
3. There are no encroachments by improvements on the covered property onto adjoining property, nor are there any encroachments by improvements on adjoining property onto the covered property.
4. No loss will be suffered due to future violations of any covenants, conditions or restrictions occurring prior to any acquisition of title by the lender by foreclosure or any other action.
5. No loss will be suffered due to damage to existing improvements that encroach onto easements or building setback lines identified in Schedule B of the Certificate.

The prerequisites for issuing the Comprehensive Endorsement are as follows:

1. A thorough examination of the restrictions, covenants and conditions in deeds and subdivision plats affecting the property.
2. A determination that any restrictions, covenants or conditions are not being violated and a determination of any encroachments from, or onto, the property to be covered by the Certificate, by reviewing all available documentation such as recorded documents, surveys, appraisals, Real Property Inspection Reports, Composite Mortgage Affidavits and statements made by the parties to the transaction.
3. All violations and encroachments must be specifically raised on Schedule B.
4. Refer to Attorney Manual Article VII Underwriting Sections for violation and encroachment practices and procedures. If you have any questions, you should contact Title Guaranty's underwriting department.

The Comprehensive Endorsement should not be used when issuing a Lender's Certificate for a construction loan.

Remember that Title Guaranty no longer requires the use of the appraisal for providing the Comprehensive Endorsement. But if an appraisal is ordered, it should be reviewed for encroachments and violations of covenants, conditions and restrictions.